

**EVENT VIOLATION**  
**INSPECTOR'S STATEMENT**  
**MINERALS REGULATORY PROGRAM**

Company/Mine: Hot Springs  
 Permit #: S/003/073

CO # MC-07-01-05  
 Violation # 1 of 1

**SERIOUSNESS**

1. What type of event is applicable to the regulation cited? Refer to the DOGM reference list of event below and remember that **the event is NOT the same as the violation**. Mark and explain each event.

- |                                     |    |  |
|-------------------------------------|----|--|
| <input checked="" type="checkbox"/> | a. | Activity outside the approved permit area.                     |
| <input type="checkbox"/>            | b. | Injury to the public (public safety).                          |
| <input type="checkbox"/>            | c. | Damage to property.  |
| <input type="checkbox"/>            | d. | Conducting activities without appropriate approvals.           |
| <input type="checkbox"/>            | e. | Environmental harm.  |
| <input type="checkbox"/>            | f. | Water pollution.   |
| <input type="checkbox"/>            | g. | Loss of reclamation/revegetation potential.                    |
| <input type="checkbox"/>            | h. | Reduced establishment, diverse and effective vegetative cover. |
| <input type="checkbox"/>            | i. | No event occurred as a result of the violation.                |
| <input type="checkbox"/>            | j. | Other.   |

Explanation: The Operator was permitted for a five-acre area, operations were occurring on approximately 9 acres.

2. Has the event or damage occurred? Yes  
 If yes, describe it. If no, what would cause it to occur and what is the probability of the event(s) occurring? (None, Unlikely, Likely).

Explanation: Approximately 4 acres outside the permitted area has been affected by mining operations.

3. Did any damage occur as a result of the violation? Yes  
 If yes, describe the duration and extent of the damage or impact. How much damage may have occurred if the violation had not been discovered by a DOGM inspector? Describe this potential damage and whether or not it would extend off the disturbed and/or permit area.

Explanation: This was a small mining operation. The operator should have permitted this operation as a large mining operation prior to expanding. This would have given the Division opportunity to evaluate resources prior to disturbance and assure appropriate mitigation plans were in place for adverse impacts.

**B. DEGREE OF FAULT** (Check the statements which apply to the violation and discuss).

- ☐ Was the violation not the fault of the operator (due to vandalism or an act of God), explain. Remember that the permittee is considered responsible for the actions of all persons working on the mine site.

Explanation: \_\_\_\_\_

- ☒ Was the violation the result of not knowing about DOGM regulations, indifference to DOGM regulations or the result of lack of reasonable care.

Explanation: The operator should have kept better control over the contract miner, to assure he was staying within the permitted area.

- ☐ If the actual or potential environmental harm or harm to the public should have been evident to a careful operator, describe the situation and what, if anything, the operator did to correct it prior to being cited.

Explanation: \_\_\_\_\_

- ☐ Was the operator in violation of a specific permit condition?

Explanation: \_\_\_\_\_

- ☒ Has DOGM cited the violation in the past? If so, give the dates and the type of warning or enforcement action taken.

Explanation: During an inspection in January of 2006, the contract operator was found operating without a permit. He had indicated that the land/mineral owner (Staker and Parson Companies) had indicated to him all permits were in place. Upon contacting Staker and Parson, they immediately applied for a permit and posted a reclamation surety. No formal enforcement action was taken at that time due to the rapid response in getting this operation permitted.

Was any economic benefit gained by the operator for failure to comply? Yes  
If yes explain.

Explanation: Operator was conducting mining activities outside the permitted area without first obtaining a permit or posting a reclamation surety.

**GOOD FAITH**

1. In order to receive good faith for compliance with an NOV or CO, the violation must have been abated before the abatement deadline. If you think this applies, describe how rapid compliance was achieved (give date) and describe the measures the operator took to comply as rapidly as possible.

Explanation: The operator provided a Notice and reclamation surety to permit the area outside the permit area within 3 days. Deficiencies noted during the review process were also rapidly addressed. This should be considered as rapid compliance.

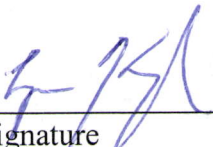
2. Explain whether or not the operator had the necessary resources on site to achieve compliance.

Explanation: The operator needed to arrange for additional surety and provide plans for the area outside the permitted area.

3. Was the submission of plans prior to physical activity required by this NOV / CO? Yes

Explanation: The operator needed to provide plans to permit the area outside the original permit area.

Lynn Kunzler  
Authorized Representative

  
Signature

July 31, 2007  
Date